

PURCHASE AND SALE AGREEMENT

BACK-UP BIDDER

TACOMA, WASHINGTON

SALE OF REAL PROPERTY

BY

INTERNAL REVENUE SERVICE-CRIMINAL INVESTIGATION

AUCTION DATE:

April 18, 2004

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is entered into between Seller and Buyer.

RECITALS

A. Of even date herewith, Seller offered to sell at auction certain property located in Washington State.

B. Back-Up Bidder was the second high bidder for the Property at such auction.

C. In the event the Earnest Money (as hereinafter defined) is not received from the High Bidder within the time specified, the Back-Up Bidder will become the Buyer at the Purchase Price stated herein.

D. Seller and Buyer wish to set forth the agreement of Seller to sell such property and the agreement of Buyer to purchase such property and to set forth the terms and conditions upon which property will be sold and purchased.

AGREEMENT

In consideration of the mutual agreements set forth herein, Seller and Buyer agree as follows:

ARTICLE 1. **DEFINITIONS**

As used in this Agreement:

“Affiliate” means, with respect to any specified Person, any other Person that (a) directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the specified Person; (b) is a director or officer or employee of any Person covered by clause (a) above; (c) is a partner, beneficiary of a trust or other owner of any stock or other evidences of beneficial ownership of the specified Person or any Person covered by clause (a) above; or (d) is related by blood (including grandparents of the specified Person and of his or her spouse and all lineal descendants of such grandparents), marriage or close business association (including, without limitation, by virtue of being engaged in any general or limited partnership) to the specified Person or any Person covered by clause (a) above or to the spouse of any of the foregoing Persons. For purposes of this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting stock, by contract or otherwise.

“Agreement” means this Agreement and all amendments, modifications and extensions hereto.

“Application” shall have the meaning set forth in Section 8.1(d).

“Auction Date” means April 18, 2004.

“Business Day” means each day, except Saturdays, Sundays and all days observed by the Federal Government as legal holidays.

“Buyer” shall mean the party executing this agreement as the Buyer on the signature pages hereof.

“Buyer-Related Parties” means, individually and collectively, and to the extent applicable (a) Buyer; (b) the shareholders, officers, directors, employees and constituent partners of Buyer or of any direct or indirect partner of or corporate joint-venturer with Buyer; and (c) any Affiliate of Buyer.

“Casualty” shall have the meaning set forth in Section 11.2.

“Claims” shall have the meaning set forth in Section 14.1.

“Clean-Up” means the removal, remediation or elimination of, or other response to, Environmental Contamination, as may be necessary to comply with all applicable Hazardous Substances Laws.

“Closing” shall have the meaning set forth in Article 4.

“Closing Agent” shall mean First American Title Insurance Company, in its capacity as Closing Agent pursuant to this Agreement.

“Closing Date” shall have the meaning set forth in Article 4.

“Closing Documents” shall have the meaning set forth in Section 10.1.

“Condemnation” shall have the meaning set forth in Section 11.1.

“Deed” shall have the meaning set forth in Section 10.1(a).

“Documents” shall have the meaning set forth in Section 5.5(c).

“Due Diligence Materials” means the materials relating to the transaction contemplated hereby, to which the parties bidding on the Property have been given notice.

“Earnest Money” shall have the meaning set forth in Section 3.1.

“Earnest Money Balance” shall have the meaning set forth in Section 3.1.

“Effective Date” means the date of execution of this Agreement by Seller.

“Environmental Contamination” means the presence of any Hazardous Substance or the existence of any environmental condition at, in or under the Property, or a Release at, in, under or from or to the Property, that (a) is in violation of one or more Hazardous Substances Laws; or (b) would be required to be reported to any governmental authority or agency, and would require clean-up; provided, however, the existence on the Property of non-friable asbestos or friable asbestos in good condition shall not be deemed Environmental Contamination.

“Executory Contracts” shall have the meaning set forth in Article 2.

“Former Owner” means the Person from whom Seller seized the Property, or any part thereof, or any officer, director, employee, partner or Affiliate of such Person.

“Good Faith Deposit” means an amount equal to Dollars deposited by Buyer at auction pursuant to the Terms and Conditions.

“Hazardous Substances” means any hazardous substances as defined in Section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601(14) and petroleum, natural gas, natural gas liquids and liquefied natural gas, but shall not include non-friable asbestos or friable asbestos in good condition.

“Hazardous Substances Laws” means all Laws regulating emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or regulating the use, treatment, storage, disposal or handling of Hazardous Substances.

“Intangibles” shall have the meaning set forth in Article 2.

“Law” means (a) present and future laws, statutes, codes, ordinances, rules, orders, awards, judgments, decrees, injunctions, approvals, permits, requirements, regulations and licenses of every governmental or quasi-governmental authority or agency; (b) orders, rules and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization or other body exercising similar functions; and (c) duties or obligations of any kind imposed by law, covenant, condition, agreement or easement, public or private.

“Non-Permitted Exception” shall have the meaning set forth in Section 5.3.

“Notices” shall have the meaning set forth in Article 7.

“Permitted Exception” shall have the meaning set forth in Section 5.3.

“Person” means an individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or the federal government or any state or local government or any agency or political subdivision thereof.

“Personal Property” shall have the meaning set forth in Article 2.

“Pro-Forma Title Policy” shall have the meaning set forth in Section 5.2.

“Property” shall have the meaning set forth in Article 2.

“Property Data” shall have the meaning set forth in Section 5.1.

“Purchase Price” shall have the meaning set forth in Section 3.2.

“Real Estate” shall have the meaning set forth in Article 2.

“Release” means the intentional or unintentional spilling, leaking, dumping, pouring, pumping, emptying, seeping, disposing, discharging, emitting, depositing, injecting, leaching, escaping, or any release or threatened release, however defined, of any Hazardous Substance.

“Seller” shall mean Internal Revenue Service-Criminal Investigation, an instrumentality of the United States of America.

“Seller-Related Parties” means individually and collectively, Seller, its contractors and subcontractors, and its and their respective officers, directors, employees and representatives.

“Substantial Casualty Notice” shall have the meaning set forth in Section 11.2(c).

“Substantial Condemnation Notice” shall have the meaning set forth in Section 11.1(c).

“Substantial Portion” shall have the meaning set forth in Section 11.3.

“Survey” means the survey(s) of the Property or any portion thereof made by Buyer prior to closing.

“Tax Documents” shall have the meaning set forth in Section 10.3.

“Terms Of Sale” means the Terms and Conditions of Sale for the Property previously received by Buyer.

“Thrift and Bank Fraud Act” shall have the meaning set forth in Section 8.1(i).

“Title Company” means First American Title, having an address at 3866 S. 74th Street, Tacoma Washington 98409.

“Title Policy” shall have the meaning set forth in Section 10.2.

“Wire Instructions” means Northern Trust Company, 50 South LaSalle Street, Chicago, Illinois 60675, Routing Number (ABA) 071-000-152; Final Credit to EG&G Technical Services, Account Number 24171 RE: Property Address

ARTICLE 2.

PURCHASE AND SALE

Subject to the terms and conditions set forth in this Agreement and the rights of the High Bidder, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller’s right, title and interest in and to the following:

- a. the real estate described in Exhibit A, together with all improvements located thereon, leases thereof, and all easements and other rights and privileges pertaining or appurtenant thereto, including, without limitation, any water rights or shares appurtenant thereto (such real estate, improvements, easements, rights and privileges being referred to herein collectively as the “Real Estate”);

b. all of the furniture, furnishings, fixtures, equipment, machinery and other items of non-cash and non-cash equivalent personal property and inventory located in or upon, and used exclusively in connection with the operation or maintenance of, the Real Estate (excluding any and all property owned by tenants thereon), but subject to changes between the Effective Date and the Closing Date as provided in Article 7 (all such personal property and fixtures used in connection with the operation or maintenance of the Real Estate being referred to herein collectively as the "Personal Property"); and

c. all of the intangible property used exclusively in connection with the operation or maintenance of the Real Estate and the Personal Property, excluding any operating accounts, but, including, without limitation, all entitlements, licenses, trademarks, trade names, franchises, the contracts set forth on Exhibit B (the "Executory Contracts"), and all other contract rights, guarantees and warranties relating to the Real Estate and the Personal Property (all such intangible property used in connection with the operation or maintenance of the Real Estate and the Personal Property being referred to as the "Intangibles") (the Real Estate and all Personal Property and Intangibles related thereto being referred to herein collectively as the "Property").

ARTICLE 3.

EARNEST MONEY; PURCHASE PRICE

Section 3.1. Earnest Money. Concurrently with Back-Up Bidder's execution of this Agreement, Back-Up Bidder shall deliver to EG&G Technical Services, Inc. ("EG&G"), as agent for Seller, a cashiers' check payable to EG&G Technical Services Inc./USCS, in the amount set forth in the signature page hereof (the "Good Faith Deposit"). In the event the Earnest Money is not received from the High Bidder within the time specified, the Back-Up Bidder will become the "Buyer" at the Purchase Price stated herein. Within three (3) days after receipt of notice from Seller of the High Bidder's failure to deliver the Earnest Money, Buyer shall transmit by wire transfer to Seller an amount equal to Ten Percent (10%) of the Purchase Price (prior to any adjustment thereto) (such amount being referred to herein as the "Earnest Money"), less the Good Faith Deposit as of the date of Buyer's execution hereof (the amount so delivered being referred to herein as the "Earnest Money Balance"). From and after the date of Buyer's execution hereof, the Good Faith Deposit shall be deemed as part of the Earnest Money and shall be subject to the terms and conditions hereof applicable to the Earnest Money. Prior to Seller's receipt of the Earnest Money Balance, the Earnest Money shall be the Good Faith Deposit as of the date of Buyer's execution hereof. The Earnest Money shall be held by the Seller, subject to the terms of this Agreement. The Back-Up Bidder's Good Faith Deposit will be returned to the Back-Up Bidder by overnight delivery service within five (5) business days after receiving the total Earnest Money from the High Bidder, and the rights of Buyer hereunder with respect to the Property shall terminate.

Section 3.2. Purchase Price. The Purchase Price for the Property (the "Purchase Price") is in the amount set forth on the signature pages hereof as increased or decreased by any adjustments thereto provided for herein.

Section 3.3. Manner of Payment. The Earnest Money shall be applied against the Purchase Price at Closing. The balance due on the Purchase Price shall be paid by Buyer to

Seller at the Closing by wire transfer or cashier's check to the Title Company in immediately available US funds.

ARTICLE 4.

CLOSING

The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of the Title Company, Tacoma, Washington or such other location as Seller shall determine, on or before the forty-fifth (45th) day following the Effective Date, unless extended in accordance with the Terms Of Sale. Seller, at its option, may extend the time of the Closing in order to convey title to the Property in such state as is required under this Agreement. The date of the Closing is referred to herein as the "Closing Date."

ARTICLE 5.

PROPERTY DATA; DUE DILIGENCE

Section 5.1. Property Data. Buyer acknowledges that before the execution of this Agreement, Seller has made available to Buyer, and Buyer has had the opportunity to review the Due Diligence Materials (the "Property Data"). Buyer acknowledges and understands that the Property Data and the Documents may have been prepared by parties other than Seller and that no Seller-Related Party has made any independent investigation or verification of the Property Data or the Documents or makes any representation or warranty whatsoever, express or implied, as to the content, accuracy or completeness of the Property Data or the Documents.

An item of information shall be deemed to be available to and disclosed to Buyer in writing if such information was at any time on or before the Auction Date or otherwise included in the Property Data transmitted to Buyer in writing on or before the Auction Date.

Section 5.2. Title Evidence. Seller has made available to Buyer a pro-forma owner's policy of title insurance for the Property (the "Pro-Forma Title Policy"). Buyer acknowledges that its agreement to purchase the Property is subject to the matters set-forth in the Pro-Forma Title Policy.

Section 5.3. Permitted Exceptions; Non-Permitted Exceptions.

a. On or before the expiration of the Closing Date, Buyer shall give Seller written notice of any encumbrance, defect, state of facts, or exception not set forth in the Pro-Forma Title Policy or appearing in any of the Survey prepared for Buyer which Buyer in good faith believes affects marketability of title to the Property or any portion thereof or which prohibits the use, occupancy or operation of the Property or any portion thereof for its current purpose (any such encumbrance, defect, state of facts, or exception being referred to herein as a "Non-Permitted Exception"). Any encumbrance, defect, state of facts or exception set forth in the Pro-Forma Title Policy or appearing in a Survey to which no objection is timely made in accordance with the terms of this Agreement shall thereafter be a "Permitted Exception." Buyer acknowledges and agrees that each of the following shall be deemed a Permitted Exception and that in no event and at no time shall Buyer be entitled to declare any of the same a Non-Permitted Exception.

i. all (A) standard preprinted (general) exceptions set forth in the Pro-Forma Title Policy; and (B) such other title exceptions and defects, whether or not of record, affecting the Property which have arisen out of, or by reason of, any acts of Buyer-Related Parties or its or their agents, representatives or contractors;

ii. zoning, subdivision, environmental, municipal building and all other Laws applicable to the ownership, use or development of, or the right to maintain or operate the Property, provided that none of such Laws are violated by the current use, occupancy or operation of the Property;

iii. such additional state of facts that a physical inspection of the Property would show, provided that the same does not render title to any material portion of the Property unmarketable or prohibit the use, occupancy or operation of any material portion of the Property for its current purpose;

iv. the state of facts that an accurate, current survey of the Property would show, provided the same does not render title to any material portion of the Property unmarketable or prohibit the use, occupancy or operation of any material portion of the Property for its current purposes;

v. liens for unpaid taxes, assessments, charges, rents and any other governmental charges (i) which are not yet due and payable; or (ii) for which Buyer has received or will receive credit against the Purchase Price in accordance with the provisions of Article 6; and

vi. possible lack or revocability of the right, if any, to maintain or use or receive value for any space, facilities, improvements, infrastructure, roads or appurtenances outside the boundaries of the Property, whether on, over or under the grounds, including, without limitation, all vaults, marquees, stoops, awnings, signs and sidewalk openings.

vii. All exceptions set forth in the Pro-Forma Title Policy.

b. If, prior to the Closing Date, any Non-Permitted Exception shall first appear in any updated Pro-Forma Title Policy, and in the event such Non-Permitted Exception is not cured by Seller as provided in Section 5.3(c) hereof, this Agreement shall terminate and the Earnest money shall be returned to Buyer.

c. If, Seller elects to cure a Non-Permitted Exception, it shall be deemed to have been cured by Seller upon the issuance of the Title Policy free of such Non-Permitted Exception or upon the issuance of the Title Policy with the agreement of the Title Company to insure Buyer against loss or damage that may be occasioned by such Non-Permitted Exception.

Section 5.4. Title Matters.

a. Seller does not agree to undertake, and nothing contained herein shall be construed to require Seller to undertake, any action or proceeding or otherwise to incur any expense whatsoever either to remove any exception or objection to title or to render title to the Property either acceptable to Buyer or marketable or insurable. Seller shall not be obligated to take any action, execute any document, or incur any liability (contingent or otherwise) to obtain any endorsement to the Pro-Forma Title Policy or the Title Policy, or to provide for affirmative insurance to be issued pursuant to the Pro-Forma Title Policy or the Title Policy, and the failure of the Title Company or any other title company issuing a loan policy of title insurance or an owners policy of title insurance, if applicable, to issue any endorsement or to provide for any affirmative insurance shall not relieve Buyer of any of its obligations under this Agreement, and Buyer shall nevertheless continue to be obligated to purchase the Property without any abatement, offset, credit or adjustment of the Purchase Price by reason thereof.

b. Buyer shall not have the right to reject title to the Property or any part thereof by reason of the existence of any condition subject to which Buyer has agreed to take title under this Agreement, and the Purchase Price shall not, in any respect, be reduced or abated, nor shall Buyer be entitled to damages, by reason thereof.

c. Upon the filing of all lien releases, the Seller will convey title to the Real Estate to the Buyer at closing by government deed, free and clear of all encumbrances or liens except restrictions of record reflected in the Pro-Forma Title Policy.

Section 5.5. Disclaimers; As Is.

a. Buyer acknowledges that it is a sophisticated buyer, with experience in owning and operating real property in the nature of the Property. Buyer realizes the special nature of this transaction, understands and is freely taking all risks involved in connection with this transaction and acknowledges that the risks are reflected in the Purchase Price and the terms upon which Buyer is willing to purchase and Seller is willing to sell the Property.

b. Buyer acknowledges and agrees that Seller has little, if any, knowledge of the Property.

c. Except as otherwise expressly set forth in this Agreement, the Property is being sold by Seller, and Buyer agrees to accept the Property, "as is" and "where-is," in its condition on the Closing Date. Buyer acknowledges, represents and warrants that (i) Buyer has had an opportunity to make an independent investigation and examination of the Property (and all matters related thereto), and to become fully familiar with the physical condition and contents of the Property and has not relied on any information or materials delivered or caused to be delivered by Seller-Related Parties in connection therewith, including, without limitation, the Property Data and Documents; and (ii) Seller-Related Parties have not made, and Buyer shall not be entitled to rely on, any oral or written representations, warranties or statements of any nature or kind whatsoever to Buyer, whether express or implied, with respect to the above, and, in particular, no

representations or warranties have been made with respect to (A) the physical condition or operation of the Property, including, without limitation, the existence of any Environmental Hazards or conditions thereon (including, but not limited to, the presence of asbestos or asbestos containing materials or the Release or threatened Release of Hazardous Substances), the availability of water or the adequacy of water supplied; (B) the revenues from or expenses of the Property; (C) the zoning and other legal requirements applicable to the Property or the compliance of the Property therewith; (D) the nature and extent of any matter affecting title to the Property or to any Personal Property, except for the warranties, if any, contained in the Deed to be delivered by Seller at the Closing; (E) the quantity, quality, or condition of the Personal Property; or (F) any other matter or thing affecting or relating to the Property, or any portion thereof, the interests therein to be conveyed to Buyer pursuant to the terms or the transactions contemplated hereby.

d. Seller hereby specifically disclaims any warranty, guaranty, oral or written, express or implied or arising by operation of law or otherwise, with respect to the Property, the Property Data and the Documents and any warranty of condition, habitability, merchantability or fitness for a particular purpose in respect of the Property. Buyer declares and acknowledges that this express disclaimer shall be considered a material and integral part of the sale contemplated thereby and is reflected in the consideration payable by Buyer hereunder as an inducement for Seller to proceed with the transaction contemplated hereby. Buyer further declares and acknowledges that this disclaimer has been brought to the attention of Buyer and explained in detail and that Buyer has voluntarily and knowingly consented thereto.

ARTICLE 6.

CLOSING ADJUSTMENTS, APPORTIONMENTS AND PAYMENTS

Section 6.1. Closing Apportionments and Adjustments. For the purpose of calculating all apportionments and adjustments hereunder relating to the Property, unless otherwise provided for in this Agreement, Buyer shall be deemed to be in title to the Property, and therefore entitled to the income therefrom and responsible for the expenses thereof, as of 12:01 a.m. PDST. on the Closing Date. At the Closing, Seller and Buyer shall pro-rate the following on the basis of the exact number of days each will own the Property during the year of the Closing, assuming a three hundred sixty five (365) day year:

a. All assessments and real property and personal property taxes assessed against the Property for the year of the Closing. If the amount of such real property and personal property taxes is not known at the Closing, closing adjustments will be finally made on the basis of the most recent tax rate and assessed valuation for the Property (or the applicable part thereof), and, if the Real Estate has been taxed as part of a tax parcel including other real estate, a reasonable estimate as to the allocation of taxes between the Real Estate and such other real estate. Buyer shall have the right, in the name of Seller or Buyer, to contest or appeal any such tax or assessment. All assessments and real property and personal property taxes assessed against the Property for years prior to the year of the Closing and all penalties and interest thereon shall be paid by Seller. Any assessments or taxes which are assessed against the Property for the year of Closing, but which are not

due and payable at or prior to the Closing, shall be allowed to Buyer as a credit against the Purchase Price, and Seller shall have no further liability for such assessments or taxes. Buyer shall be responsible for all roll-back taxes and assessments for water, sewer or otherwise, which are due and payable upon the development of the Property;

b. All rents and other income from the Project shall be prorated as of the Closing Date, except that no proration shall be made for rents delinquent as of the Closing Date (hereinafter called the "Delinquent Rents"). After the Closing, Seller shall have no right to bring suit against tenants to collect Delinquent Rents. Amounts collected by Buyer from tenants owing Delinquent Rents shall be applied first to current rents owed by such tenant, then to rents which became delinquent after the Closing Date and then to Delinquent Rents. Any such amounts applicable to Delinquent Rents received by Buyer shall be promptly forwarded to Seller.

c. All expenses of the Property (including costs of utilities and all charges payable under Executory Contracts shall be prorated as of the Closing Date based, to the extent available, on final meter readings and final invoices, and based on the actual number of days of the month of Closing which shall have elapsed as of the Closing Date. If the amount of any such charges for the month of the Closing is not known at the Closing, closing adjustments will be made on the basis of the most recent monthly charge as set forth in the most recent invoice from the applicable provider. When the actual amount of a charge for the month of the Closing is known, Buyer and Seller, promptly upon the receipt by either of them of an invoice will make the proper adjustment so that the pro-ration of such charge will be accurate, and payment will promptly be made to Seller or Buyer, whichever shall be entitled to such payment, by the other party, for the purpose of making such adjustment.

d. annual permit, license and inspection fees, if any, on the basis of the fiscal year for which levied, if the rights with respect thereto are transferred to Buyer;

e. amounts payable by Seller to merchant's and other associations, promotional funds and other similar contributions or payments;

f. income and expenses from any management or similar agreements in respect of the Property being assumed by Buyer;

g. deposits made by Seller with any contracting party which relate to the Property or any assumed liability, including but not limited to all utility deposits, to the extent assignable, shall be assigned to Buyer and credited to Seller at the Closing Date;

h. all other items customarily apportioned in connection with the sale of similar properties similarly located, including, without limitation, expenses normal to the operation and maintenance of the Property; and

i. all other amounts payable after the Closing Date that are assumed by Buyer, including, without limitation, trade account payables assumed by Buyer by virtue of Buyer's assumption of any Executory Contracts, shall be paid by Buyer and no adjustment shall be made to the Purchase Price.

j. Buyer shall not receive any credit for security deposits of tenants of the Property.

All credits to Buyer from the closing adjustments and pro-rations described above shall reduce the Purchase Price payable at the Closing, and all credits to Seller from the closing adjustments and pro-rations described above shall increase the Purchase Price payable at the Closing.

Section 6.2. Estimation of Prorations; Errors.

If sufficient information is not available at the Closing to make an accurate proration, Seller and Buyer shall estimate the proration at the Closing and shall make a recalculation of the apportionment of the proration as soon as the necessary information becomes available, at which time Seller or Buyer, as the case may be, promptly shall make an appropriate payment to the other based upon such recalculation; provided, however, that the foregoing shall not relieve Buyer from any obligation Buyer has assumed pursuant to this Agreement. The parties shall correct any errors or omissions in computing apportionments promptly after discovery. Each party waives any apportionments not brought to the attention of the other within one (1) year following the Closing Date.

Section 6.3. Transfer of Utilities. Buyer shall transfer all utility services for the Property to Buyer's name as of the Closing Date. Seller shall cooperate with Buyer to effect the transfers. If such utility services are not transferred to Buyer's name effective as of the Closing Date, then, at the Closing, the parties will pro-rate any such charges (including water rates and charges, sewer taxes and rents and electricity, gas and cable television charges) based upon the daily charges for the most recent period for which readings of such utility services are then available. Buyer promptly thereafter shall transfer such utility services to Buyer's name. Promptly after Buyer receives a statement of such charges for the period during which the Closing occurs, Buyer and Seller shall adjust the apportionment made pursuant to this Section 6.3 to the extent necessary for Seller to pay such charges for the period ending on the day immediately preceding the Closing Date, and Buyer to pay such charges for the period from and after the Closing Date.

Section 6.4. Insurance. All insurance maintained by Seller in respect of the Property, if any, shall be cancelled as of the Closing.

Section 6.5. Transfer and Recording Taxes. All closing costs (except title insurance premiums), including transfer taxes (documentation and surtax), escrow fees, and recording fees shall be paid by Buyer and Seller in accordance with the customs of the county in which the property is located. Seller shall be responsible, either by payment or exemption, for any real property transfer taxes, documentary stamps, documentary recording charges and other taxes, fees or charges imposed on Seller by any governmental entity having jurisdiction over the Property, in connection with the sale, assignment, transfer and conveyance of the Property. At the Closing, Buyer shall pay all mortgage recording taxes and charges and other taxes imposed by any governmental entity having jurisdiction over the Property resulting from any acquisition financing used by Buyer to purchase the Property, and shall pay all other real property transfer taxes, documentary stamps and other taxes, fees or charges for which Seller is not responsible

pursuant to the provisions hereof, in connection with the sale, assignment, transfer and conveyance of the Property. Buyer will pay all sales and use taxes (both real estate sales and personal property tax) payable with respect to sale of such portion of the Personal Property as is subject to sales and use tax.

Section 6.6. Title Charges. Seller shall pay all charges in connection with the preparation of the Pro-Forma Title Policy. Buyer shall pay the cost of all title insurance premiums for any owner or loan policy of title insurance required by Buyer or any lender of Buyer, the cost of any endorsements to the Title Policy or such loan policy of title insurance requested or required by Buyer or such lender, the cost of any extended coverage for the Title Policy (i.e., the deletion of standard or preprinted exceptions), any fee charged by the Title Company to issue the Title Policy with an effective date as of the Closing Date, costs incurred in connection with any updated (or new) surveys not provided in the Property Data and the cost of recording or filing the Deed and any other assignments provided for herein.

Section 6.7. Risk of Loss. Until the purchase and sale of the Property is consummated at the Closing, the risks of ownership and loss of the Property shall be borne by Seller.

Section 6.8. Surface Water Charges. At closing, Buyer shall pay all Surface Water Charges associated with the Property.

Section 6.9. Survival. The provisions of this Article 6 shall survive the Closing.

ARTICLE 7.

OPERATION OF THE PROPERTY

Between the Auction Date and the Closing, Seller shall: (a) maintain and operate the Property, all in generally the same manner as Seller currently is maintaining (reasonable wear and tear excepted) and operating the Property and otherwise conducting such affairs; (b) not sell or otherwise dispose of any significant items of Personal Property (other than supplies or materials used in connection with the operation or maintenance of the Property) unless replaced with an item of like value, quality and utility; and (c) not enter into any service, maintenance, landscaping, repair, or other similar contract or agreement relating to the maintenance of the Property, except for those entered into in the ordinary course of business and which can be cancelled upon not more than sixty (60) days' prior notice or in the event of a sale of the Property, without the prior consent of Buyer, which consent may be withheld by Buyer only on the grounds of material adverse effect on the economics or the quality of the operation of the Property. In the event Seller desires to enter into any such contract which requires the consent of Buyer, Seller shall give Buyer written notice of Seller's intent to enter into such contract, which notice shall include a copy of such contract. Within five (5) days following Buyer's receipt of such notice, Buyer shall give Seller written notice of any objection to such contract. If Buyer fails to notify Seller within such five (5) day period of any such objection, Buyer shall be deemed to have consented to such contract, and Seller may immediately execute such contract. If Buyer objects to such contract in compliance with the terms hereof, Seller shall not enter into such contract, unless Seller deems the contract necessary for the proper operation of the Property consistent with Seller's past and current operation of the Property. Regardless of the limits set forth in items (a) through (c) in this Article 7, however, Seller may enter into any contracts with

respect to the Property to the extent that Seller determines that such contracts are necessary or appropriate for the proper operation or maintenance of the Property consistent with Seller's past and current operation and maintenance of the Property.

ARTICLE 8.

REPRESENTATIONS AND WARRANTIES

Section 8.1. Representations and Warranties of Buyer. Buyer represents and warrants as follows:

a. If Buyer is not an individual: (i) Buyer is duly formed and validly existing under the Law of the state or commonwealth of its organization and, if required by applicable law, is in good standing under the Laws of the State of Washington; (ii) Buyer has full right, authority and power to enter into this Agreement, to consummate the transactions contemplated herein and to perform its obligations hereunder and under those Closing Documents to which it is a party; (iii) each of the persons executing this Agreement on behalf of Buyer is authorized to do so; and (iv) this Agreement constitutes a valid and legally binding obligation of Buyer enforceable against Buyer in accordance with its terms;

b. If Buyer is an individual: (i) Buyer has full right, authority and power to enter into this Agreement, to consummate the transactions contemplated herein and to perform its obligations hereunder and under those Closing Documents to which it is a party; and (ii) this Agreement constitutes a valid and legally binding obligation of Buyer enforceable against Buyer in accordance with its terms;

c. No legal or administrative proceedings are pending or, to the best of Buyer's knowledge, threatened against or affecting any Buyer-Related Party, that may affect Buyer's legal authority or financial ability to perform its obligations hereunder or the Closing Documents to which it is a party;

d. The information set forth in the bid registrations, application, certificates, affidavits and forms submitted to Seller in connection with this Agreement and the transactions contemplated hereby (collectively, the "Application") is true and correct in all material respects, does not omit to state a fact necessary to make the statements contained therein not misleading;

e. There are no agreements, written or oral, express or implied, between any Buyer-Related Parties and any Former Owner for the payment of any additional amounts to any Former Owner or any Affiliate of any Former Owner in connection with or which contemplate the retention by or conveyance to any Former Owner or any Affiliate of any Former Owner, of any interest in any of the Property, or any interest in any entity which may own or hold title to any of the Property; Buyer is not aware of any such agreements between any Former Owner or any Affiliate of any Former Owner and any third party;

f. The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the performance of Buyer's obligations under the Closing Documents to which it is a party, do not and will not (i) violate or conflict with

any organizational document of Buyer or any judgment, decree or order of any court or any Law or permit applicable to or affecting any Buyer-Related Party; or (ii) breach any provisions of, or constitute a default under, any contract, agreement, instrument or obligation to which any Buyer-Related Party is a party or by which any such Buyer-Related Party is bound;

g. The execution and delivery of this Agreement by Buyer does not, and the performance of Buyer's obligations hereunder and under the Closing Documents to which it is a party will not, require the consent or approval of any governmental or public authority or any other Person;

h. The Buyer warrants that he/she is not: (a) under 18 years of age; (b) an employee of any department or agency of the Federal Government prohibited by the regulations of that agency from purchasing property sold hereunder; (c) an agent or immediate member of the household of the employee in (b), above; (d) the contractor, subcontractor or vendor, or their agent who has access to information concerning the property to be sold at U.S. Department of the Treasury/U.S. Customs Service auctions that is not generally available to the public; (e) presently debarred or declared ineligible for the award of contracts by any Federal agency in accordance with 41 CFR 101-45.6; or (f) the party, or agent of the party(s), from whom the property was seized.;

i. Buyer's purchase of the Property will not violate the prohibited transaction provisions of the Comprehensive Crime Control Act of 1984 or policies related thereto by the U.S. Department of Treasury.

Each representation and warranty of Buyer set forth in this Agreement shall be deemed to have been repeated by Buyer, at and as of the Closing Date with the same force and effect as if first made on and as of such date, and shall survive the Closing.

Section 8.2. Representations and Warranties of Seller. Seller represents and warrants that:

a. It has full right and authority to enter into this Agreement and to consummate the transactions contemplated herein;

b. The person executing this Agreement on behalf of Seller has been duly authorized to do so; and

c. This Agreement, upon Seller's execution hereof, will constitute a valid and legally binding obligation of Seller.

Each of the representations and warranties in this Section 8.2 shall terminate on the Closing Date.

ARTICLE 9.
CONDITIONS TO CLOSING

Section 9.1. Conditions to Buyer's Obligations. The obligation of Buyer to purchase the Property pursuant to this Agreement is subject to the fulfillment on or before the Closing Date of each of the following additional conditions, except to the extent waived in writing by the benefited party:

- a. Seller shall have delivered all Closing Documents required to be provided by Buyer under this Agreement; and
- b. All representations and warranties of Seller set forth in Section 8.2 shall be true in all material respects at and as if made on the Closing Date.

Section 9.2. Conditions to Seller's Obligations. The obligation of Seller to sell the Property pursuant to this Agreement is subject to the fulfillment on or before the Closing Date of each of the following additional conditions, except to the extent waived in writing by the benefited party:

- a. Buyer shall have delivered all Closing Documents required to be provided by Buyer under this Agreement;
- b. All representations and warranties of Buyer set forth in Section 8.1 hereof shall be true in all material respects at and as if made on the Closing Date;
- c. The parties shall have obtained all requisite governmental approvals relating to the transactions contemplated by this Agreement; and
- d. Buyer shall have provided Seller with satisfactory assurance that Buyer will be able to perform all obligations of Buyer undertaken pursuant to this Agreement, including future performance of any Executory Contracts.

ARTICLE 10.
CLOSING DOCUMENTS

Section 10.1. Closing Documents.

a. At the Closing, contemporaneously with the payment by Buyer of the Purchase Price, Seller shall deliver the following documents to Buyer, duly executed by Seller in recordable form, as applicable (the documents described in this Section 10.1(a) and in Section 10.1(b) and all other documents required to be delivered hereunder are referred to collectively as the "Closing Documents"):

- i. all Property Data relating to the Property;
- ii. a deed in the form attached as Exhibit D;
- iii. An assignment of Seller's interest in all leases of the Property;

iv. a bill of sale in the form attached as Exhibit E, without warranty or recourse, for the Personal Property;

v. an assignment in the form attached as Exhibit F, without warranty or recourse, of all transferable licenses and permits pertaining to, or issued in connection with the Property, together with the originals of any such licenses and permits, if available, or copies thereof to the extent in Seller's possession;

vi. an assignment in the form attached as Exhibit F, without warranty or recourse, of all guaranties and warranties which Seller shall have received in connection with work or services performed with respect to the Property (to the extent warranties or guaranties are assignable);

vii. an assignment in the form attached as Exhibit F, without warranty or recourse, of Seller's interest in trade names and general intangibles, if any, owned and used by Seller in connection with the operation of the Property; and

viii. assignments, without warranty or recourse, in the form attached as Exhibit F of Seller's interest in all Executory Contracts, including management agreements and franchise agreements, affecting the Property.

b. At the Closing, contemporaneously with Seller's delivery to Buyer of all of the Closing Documents required to be delivered by Seller hereunder, Buyer shall deliver to Seller the following Closing Documents duly executed by Buyer in recordable form, as applicable:

i. agreements pursuant to which Buyer assumes all of Seller's obligations arising with respect to the period from and after the Closing Date under any and all leases of the Property and any Executory Contracts, and indemnifies Seller-Related Parties for and holds Seller-Related Parties harmless from and against all Claims asserted against or imposed upon or incurred by Seller-Related Parties (A) by reason of claims made by parties under any Executory Contracts with respect to the period from and after the Closing Date; or (B) in connection with the Property with respect to the period from and after the Closing Date;

ii. a receipt for all escrows, reserves and funds paid over or credited to it, or for which Buyer shall receive an assignment, as provided in Article 6 and an agreement pursuant to which Buyer indemnifies Seller for, and holds Seller harmless from and against, any and all Claims arising with respect to such escrows, reserves and funds subsequent to the Closing Date;

iii. the organizational documents and instruments and certificates supporting the representations made by Buyer in Section 8.1, together with such other items which the Title Company may require in connection therewith; and

iv. a certificate confirming Buyer's representations and warranties in Section 8.1.

Section 10.2. Title Policy. At the Closing, Buyer may elect the Title Company to issue, at Buyer's expense, an owner's policy of title insurance in the form of the Pro-Forma Title Policy in the amount of the Purchase Price, which shall insure fee simple title in the Property in the name of Buyer, as legal owner, subject to the Permitted Exceptions (the "Title Policy"). The Title Policy shall be an American Land Title Association Owners Policy of Title Insurance (10-7-1992 Form B) and shall have an effective date as of the Closing Date.

Section 10.3. Tax Documents. At the Closing, Buyer and Seller shall deliver to the Title Company all documents required in connection with the payment of any real property transfer taxes, documentary stamps, and other transfer taxes, fees or charges imposed by any governmental entity having jurisdiction over the Property in connection with the transactions contemplated hereby (collectively, the "Tax Documents"). If the procedures required by any such governmental entity require the filing, review or approval of any Tax Documents before the Closing Date, Buyer and Seller shall deliver completed Tax Documents to the Title Company for delivery to the appropriate authority sufficiently before the Closing Date so as to permit the parties to complete by the Closing Date the transactions contemplated hereby.

Section 10.4. Closing Documents; Waivers. Except for those matters expressly set forth in this Agreement to survive the Closing and except for the agreements of Seller and Buyer set forth in the Closing Documents or otherwise entered into at the Closing, Buyer's acceptance of the Deed and the other Closing Documents shall be and be deemed to be an acknowledgement by Buyer that Seller has fully performed, discharged and complied with all of Seller's obligations, covenants and agreements hereunder and that Seller shall have no further liability with respect thereto.

Section 10.5. Further Assurances. Seller and Buyer each agree, at any time and from time to time at or after the Closing, to execute, acknowledge where appropriate, and deliver or cause to be executed, acknowledged, if appropriate, and delivered such further instruments and documents and to take such other action as the other of them or the Title Company may reasonably request to carry out the intents and purposes of this Agreement. The provisions of this Section 10.5 shall survive the Closing.

ARTICLE 11.

CONDEMNATION; CASUALTY

Section 11.1. Condemnation.

a. If before the Closing Date, all or any portion of the Property shall be condemned or taken by eminent domain or conveyed in lieu thereof or any proceedings with respect to the foregoing shall be commenced (of which Seller has actual knowledge) (any of such events being a "Condemnation"), Seller shall give Buyer written notice of such event.

b. If a Condemnation results in the taking of less than a Substantial Portion of the Property, the rights and obligations hereunder of the parties shall not be modified, except that Seller shall deliver to Buyer at the Closing all proceeds actually received by Seller as a result of such Condemnation or, if Seller has not received any such proceeds

by the Closing Date, Seller shall assign to Buyer at the Closing all of Seller's right, title and interest in and to any claim to such proceeds, and no reduction in the Purchase Price shall occur.

c. If a Condemnation results in the taking of a Substantial Portion of the Property, the notice required to be given by Seller under Section 11.1(a) shall specify the decrease in value of the Property, which determination shall be final and binding on Seller and Buyer (a "Substantial Condemnation Notice"). Buyer, by written notice to Seller within ten (10) days after its receipt of a Substantial Condemnation Notice, may elect as its sole right on account thereof, either (i) not to consummate the purchase of the Property, and, in such event, this Agreement will be terminated, or (ii) to acquire the Property, in which case, Seller shall deliver to Buyer at the Closing any Condemnation proceeds actually received by Seller, or if Seller has not received any such proceeds by the Closing Date, Seller shall assign to Buyer all of Seller's right, title and interest in and to any Condemnation proceeds, and there shall be no reduction in the Purchase Price. If Buyer fails timely to deliver the aforesaid notice, Buyer shall be deemed to have elected option (ii) of this Section 11.1(c). If this Agreement is terminated pursuant to option (i) of this Section 11.1(c), Seller shall return the Earnest Money to Buyer, and neither party shall have any further rights, remedies or liabilities with respect to this Agreement.

Section 11.2. Casualty.

a. If before the Closing Date, all or any portion of the Property shall be damaged or destroyed by fire or other casualty (a "Casualty"), Seller shall give Buyer written notice of such event.

b. If a Casualty results in the damage or destruction of less than a Substantial Portion of the Property, the rights and obligations of the parties shall not be affected, except that (i) if insurance is in effect with respect to the Casualty damage, Seller shall deliver to Buyer at the Closing all insurance proceeds actually received by Seller from such Casualty or, if Seller has not received any such proceeds by the Closing Date, Seller shall assign to Buyer at the Closing all of Seller's right, title and interest in any claim under any applicable insurance policies in respect of such Casualty, and no reduction in the Purchase Price shall occur, or (ii) if insurance shall not have been in effect with respect to the Casualty damage, Buyer shall be entitled to a credit against the Purchase Price in an amount equal to the cost of restoration (as determined in good faith by Seller in its sole reasonable discretion).

c. If a Casualty results in the damage or destruction of a Substantial Portion of the Property, the notice required to be given by Seller under Section 11.2(a) shall (i) specify the cost of restoration and decrease in value as reasonably determined by Seller, which determination shall be final and binding on Seller and Buyer; (ii) state whether insurance is in effect with respect to the Casualty Damage; (iii) state, if insurance is not in effect with respect to the Casualty damage, whether Seller shall elect (such election to be made by Seller in its sole discretion) to credit the Purchase Price with the amount determined as aforesaid to be the cost of restoration, or the decrease in value; and (iv) specify the amount, if any, expended by Seller pursuant to the provisions of Section 11.4

or state whether Seller intends to expend any amount (and an estimate of such amount) pursuant to the provisions of Section 11.4 (a "Substantial Casualty Notice"). Buyer, by written notice to Seller within ten (10) days after Buyer's receipt of a Substantial Casualty Notice, may elect as its sole right on account thereof, either (i) not to consummate the purchase of the Property, and, in such event this Agreement will be terminated; or (ii) to acquire the Property, in which case: (A) if insurance shall be in effect in respect of such Casualty, Seller shall deliver to Buyer at the Closing all insurance proceeds actually received by Seller from such Casualty or, if Seller has not received any such proceeds by the Closing Date, Seller shall assign to Buyer all of Seller's right, title and interest in and to any claim under any applicable insurance policies in respect of such Casualty, and there shall be no reduction in the Purchase Price; or (B) if insurance is not in effect in respect of such Casualty, the following provisions shall be applicable; (1) if Seller shall have elected in the Substantial Casualty Notice to provide a credit against the Purchase Price, the Purchase Price shall be reduced by an amount equal to the amount of the credit set forth in the Substantial Casualty Notice; or (2) if Seller shall not have elected in the Substantial Casualty Notice to provide a credit against the Purchase Price, Buyer shall be obligated to purchase the Property without abatement or reduction of the Purchase Price. If Buyer fails to timely deliver the aforesaid notice, Buyer shall be deemed to have elected option (ii) of this Section 11.2(c).

Section 11.3. Substantial Portion. As used herein a "Substantial Portion" means: (a) in the case of a Casualty, the cost of restoration of the Property (as reasonably determined by Seller) exceeds Ten Percent (10%) of the Purchase Price; and (b) in the case of a Condemnation, a decrease in the value of the Property (as reasonably determined by Seller) by Ten Percent (10%) or more of the Purchase Price.

Section 11.4. Excess Proceeds. If the proceeds payable as a result of a Condemnation or Casualty exceed the cost of restoration or repair made necessary by reason of such Condemnation or Casualty as determined by Seller's contractor for such restoration or repair, Seller shall have the right to receive the excess. The provisions of this Section 11.4 shall survive the Closing.

Section 11.5. Immediate Repairs to the Property. If a Casualty or Condemnation with respect to the Property occurs before the Closing and such Casualty or Condemnation creates a condition requiring immediate repairs or restoration for the protection of the Property, or of persons or personal property there, or in order to comply with any Law (whether or not the damage involves a Substantial Portion), or if Seller otherwise elects following such Casualty or Condemnation, Seller may make such repairs and restoration as it determines to be reasonably necessary. In such event Seller shall make such repairs in a good and workmanlike manner by such contractors and in such manner as determined in good faith by Seller in its sole reasonable discretion. Seller shall pay the cost of such repairs and restoration if the costs must be paid before proceeds with respect to such damage are available; however, the proceeds paid as a result of such Casualty or Condemnation shall be paid to Seller (if received by Buyer, Buyer shall pay such amount to Seller promptly after receipt thereof by Buyer) to reimburse Seller for such costs. Seller shall retain the right to such reimbursement notwithstanding any assignment of the proceeds to Buyer at the Closing. If insurance was not in effect with respect to the damage from such Casualty, the amount credited or made available as provided in Sections 11.2(b) and

11.2(c), shall be reduced by the amount expended by Seller for such repairs pursuant hereto. If any such restoration or repairs shall not be completed on the Closing Date, then, at the Closing, Seller shall assign to Buyer all of Seller's right, title and interest in and to, and Buyer shall accept and assume Seller's obligations under, all contracts for such repairs and restoration. The provisions of this Section 11.5 shall survive the Closing.

ARTICLE 12.

DEFAULTS; REMEDIES

Section 12.1. Buyer's Default. If Buyer shall (a) fail to timely deliver the Earnest Money Balance; or (b) fail or refuse to close as required by the terms of this Agreement; or (c) breach any warranty made herein or otherwise be in default hereunder, Seller's sole remedy shall be to retain the Earnest Money as and for liquidated damages, whereupon this Agreement shall terminate, and neither party to this Agreement shall have any further rights, remedies or obligations hereunder. Seller and Buyer agree that the damages that Seller would sustain as a result of such a failure, refusal, breach or default by Buyer would be substantial, but would be difficult or impossible to measure because of the uncertainties of the real estate market and fluctuations of property values and differences with respect thereto, and that the Earnest Money is a reasonable estimate of what those damages would be. Seller and Buyer agree that forfeiture of the Earnest Money shall be liquidated damages and not a penalty.

Section 12.2. Seller's Default. If Buyer shall have performed all of its obligations under this Agreement and shall be ready, willing and able to proceed with the Closing and tender payment in accordance with the provisions of this Agreement, and all conditions to Seller's obligation to proceed with the Closing shall have been satisfied, and if Seller shall fail to close as required by the terms of this Agreement, then Buyer, as its sole remedy, shall be entitled to cause Seller to refund to Buyer the Earnest Money. Buyer shall not have the right to seek or recover any additional sums or amounts including, but not limited to, fees, costs, expenses, interest or damages of any kind or nature whatsoever. Buyer hereby waives and relinquishes any right of specific performance or claim to damages as remedies for Seller's breach hereunder.

Section 12.3. No Fault. If Buyer shall have performed all of its obligations under this Agreement and shall be ready, willing and able to proceed with the Closing and tender payment in accordance with the provisions of this Agreement, but Seller is unable to close the transaction due to the failure of Seller, without fault on its part, to satisfy any condition to Closing to be fulfilled by Seller or as a result of Seller's inability to transfer good and marketable title to the Property to Buyer, then Buyer, as its sole remedy, shall be entitled to cause Seller to refund to Buyer the Earnest Money and whereupon this Agreement shall terminate, and neither party to this Agreement shall have any further rights, remedies or obligations hereunder.

ARTICLE 13.

BROKER

Except for a broker participation conforming to the Terms and Conditions, Buyer represents and warrants to Seller that it has not dealt with any real estate broker or agent in connection with the transaction contemplated hereby. Buyer shall indemnify and hold Seller-Related Parties harmless from and against any and all claims for commission, fee or other

compensation by any Person who shall claim to have dealt with any Buyer-Related Parties in connection with this transaction and for any and all costs incurred by Seller-Related Parties in connection with such claims, including, without limitation, attorneys' fees and disbursements. The provisions of this Article 13 shall survive the Closing.

ARTICLE 14. **RELEASES**

Section 14.1. Generally. Buyer releases Seller, Seller-Related Parties and their respective employees, officers, directors, representatives, contractors and agents from all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including attorneys' fees and disbursements), whether suit is instituted or not (collectively, "Claims") which any Buyer-Related Party has or may have arising from or related to any matter or thing related to or in connection with the Property, including, without limitation, the Property Data, the Documents, any construction defects, errors or omissions in the design or construction of the Property and any environmental conditions affecting the Property. Buyer shall not look to any Seller-Related Parties in connection with the foregoing for any redress or relief. Buyer further acknowledges and agrees that such release shall be given full force and effect according to each of its expressed terms and provisions, including, but not limited to, those relating to unknown and suspected claims, damages and causes of action. Buyer acknowledges that some of Seller's predecessors in title to the Property may have filed petitions under the United States Bankruptcy Code (or any statute of similar nature or purpose) and Buyer may have no remedy against such predecessors.

Section 14.2. Survival. The provisions of this Article 14 shall survive the Closing.

ARTICLE 15. **NOTICES**

Any notice, demand or request required or permitted to be given under this Agreement (collectively, "Notices") must be in writing and given to the party to whom or which such notice is being sent, (a) by certified or registered mail, postage prepaid, return receipt requested, or (b) by nationally recognized overnight delivery service with receipt acknowledged in writing, in each case, addressed as follows:

If to Seller, to:

Internal Revenue Service
c/o CWS Marketing Group, Inc.
11091 Crooked Stick Lane
Carmel, Indiana 46032
Attention: C. William Stearman
(317) 844-4270

EG&G Services
U.S. Customs Service Support
EG&G Technical Services
2629 Santa Cruz Way
Sacramento, California 95817
Attention: Anthony Ponders

(916) 455-6971

With copies to:

Barnes & Thornburg
11 South Meridian Street
Indianapolis, Indiana 46204
Attention: Richard L. Johnson
(317) 231-7787

EG&G TECHNICAL SERVICES, INC.
7723 Ashton Avenue
Manassas, Virginia 20109
Attention: Director, Risk Management
(703) 361-3671

If to Buyer to:

At the address set forth on its signature page.

In the event of mailing, notices shall be deemed effective three (3) Business Days after posting; in the event of overnight delivery, notices shall be deemed effective on the next Business Day following deposit with the delivery service. From time to time either party may designate another or additional addresses for all purposes of this Agreement by giving the other party no fewer than ten (10) days' prior notice of such change of address in accordance with the provisions. Any notice may be given by a party or such party's attorneys.

ARTICLE 16.

MISCELLANEOUS

Section 16.1. Terms and Conditions; Entire Agreement. The Terms and Conditions are hereby incorporated into this Agreement, as if more fully set forth herein. In the event of any irreconcilable inconsistency between this Agreement and the Terms and Conditions, this Agreement and the terms and provisions hereof shall govern and control. This Agreement and the Term and Conditions constitute the entire agreement between Seller and Buyer concerning the sale of the Property, and all other understandings and agreements heretofore had or made between the parties hereto are merged in this Agreement which, together with the Terms and Conditions, alone fully and completely express the agreement of the parties.

Section 16.2. Modification. This Agreement may not be changed, modified, supplemented or terminated, except by an instrument executed by the parties which are or will be affected by the terms of such change, modification, supplement or termination. Either party may waive any of the terms and conditions of this Agreement made for its benefit, provided such waiver is in writing and signed by the party waiving such term or condition.

Section 16.3. Binding Agreement. The terms, covenants, agreements, conditions, representations and warranties contained in this Agreement shall inure to the benefit of the permitted successors and assigns of the respective parties hereto and shall be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

Section 16.4. Assignment. Buyer may not assign this Agreement without the prior written consent of Seller (including, without limitation, any assignment by operation of law), which consent will not be unreasonably withheld. Upon any assignment by Buyer of this Agreement, Buyer shall remain personally liable (to the extent herein provided) for all obligations and indemnities to be performed or provided hereunder by the buyer of the Property. Any assignment without any such prior written consent shall be deemed null and void. If Buyer is a partnership, the admission of a new general partner, the withdrawal, retirement or bankruptcy of any general partner of Buyer and the reallocation of partnership interests among the general partners of Buyer or between any general partner and any limited partner of Buyer shall constitute an assignment of this Agreement and shall be subject to all the provisions of this Section 17.4. A transfer (including the issuance of treasury stock or the creation and issuance of new stock or a new class of stock) of Fifty Percent (50%) or more of the outstanding voting stock of Buyer (if Buyer is a corporation), or a transfer of the majority equity and control interest (if Buyer is a limited liability company), at any one time or over a period of time before the Closing Date through a series of transfers, or a transfer of the power to direct or cause the direction of the management and policy of such corporation or such limited liability company, whether through the ownership of voting securities, by statute, according to the provisions of a contract or otherwise (whether such ownership or power be direct or indirect through control of another corporation or entity), shall be deemed an assignment of this Agreement and shall be subject to all the provisions of this Section 16.4.

Section 16.5. Illegality. If any term or provision of this Agreement or the application thereof to any Person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by Law.

Section 16.6. Choice of Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of Washington, except to the extent that such laws are superseded by federal law.

Section 16.7. Construction. The headings of the various Articles and Sections of this Agreement are inserted solely for purposes of convenience and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement. Unless stated to the contrary, all references to Articles, Sections, paragraphs or clauses herein shall be to the specified Article, Section, paragraph or clause of this Agreement, and all references to Exhibits and Schedules shall be to the specified Exhibits and Schedules attached hereto. All Exhibits and Schedules attached hereto are made a part hereof. All terms defined herein shall have the same meaning in the Exhibits and Schedules, except as otherwise provided therein. All references in this Agreement to "this Agreement" shall be deemed to include the Exhibits and Schedules and any Rider(s) attached hereto. The terms "hereby," "hereof," "hereto," "hereunder" and any similar terms as used in this Agreement, refer to this Agreement in its entirety and not only to the particular portion of this Agreement where the term is used. Whenever in this Agreement provision is made for the payment of attorneys' fees, such provision shall be deemed to mean reasonable attorneys' fees and the fees of paralegals.

Whenever the masculine gender is used in this Agreement it shall include the feminine and neuter genders, and vice versa in each case, as the context shall require.

Section 16.8. Ambiguities. Each party acknowledges that it and its counsel have reviewed this Agreement, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved or construed against the drafting party shall not be employed in the interpretation of this Agreement.

Section 16.9. Recording. Neither this Agreement nor any memorandum hereof shall be recorded. Buyer agrees (a) not to file any notice of pendency or lis pendens or other instrument against the Property or any portion thereof in connection herewith; and (b) to indemnify Seller-Related Parties and hold them harmless from and against all Claims incurred by Seller-Related Parties by reason of the filing by Buyer of such notice of pendency, lis pendens or other instrument. The provisions of this Section 16.9 shall survive the Closing.

Section 16.10. Expenses. Each party shall be liable for its own legal expenses, costs and fees in connection with any claim, suit, action, cause of action or proceeding brought in connection with this Agreement, and in no event shall the non-prevailing party therein be required to pay the prevailing party's expenses, costs or fees.

Section 16.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

Section 16.12. Waiver of Trial by Jury. Seller and Buyer shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of or in any way connected with this Agreement, or for the enforcement of any remedy under any statute, emergency or otherwise.

Section 16.13. No Third Party Beneficiaries. No Person other than Buyer and Seller shall have any rights or claims under this Agreement.

Section 16.14. Confidentiality. The Property Data and other documents and materials which Seller may provide to Buyer in accordance with this Agreement or the Terms and Conditions are proprietary and confidential in nature.

Section 16.15. Inspection by Seller. After the transfer of documents or files to Buyer pursuant to the terms of this Agreement, Seller, at Seller's expense, shall have the continuing right to use, inspect and make extracts from or copies of any documents or records upon Seller's reasonable notice to Buyer. Buyer will allow Seller, at Seller's expense, the temporary possession, custody and use of original documents for any lawful purpose and upon reasonable terms and conditions and upon reasonable notice to Buyer. Before destruction or disposition of any documents or files transferred hereunder, Buyer shall attempt to give reasonable notice to Seller and to allow Seller, at its own expense, to recover such documents from Buyer.

Section 16.16. Rider(s). This Agreement is supplemented by any Rider(s) attached hereto and executed by Seller and Buyer. The terms, covenants, conditions, and agreement set

forth in any such Rider(s) shall constitute a part of this Agreement as if more fully set forth herein. In the event of any irreconcilable inconsistencies between the terms of this Agreement and any such Rider(s), the terms of such Rider(s) shall be deemed to govern.

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the day and year first above written.

SIGNATURE PAGE OF BACK-UP BIDDER/BUYER TO
PURCHASE AND SALE AGREEMENT

a(n) _____

By: _____

Printed: _____

Title: _____

Federal Tax I.D. Number: _____

Telephone Number: _____

Telecopier Number: _____

Address: _____

Purchase Price \$ _____

Date: April 18, 2004

ACCEPTANCE PAGE OF SELLER TO
PURCHASE AND SALE AGREEMENT

The attached Purchase and Sale Agreement is accepted as of the _____ day of _____, 2004.

INTERNAL REVENUE SERVICE,
an instrumentality of the United States

Purchase Price \$ _____

By: EG&G TECHNICAL SERVICES, INC.,
its authorized agent

Good Faith Deposit \$ _____

By: _____

Printed: _____

Title: _____

Receipt of the Initial Deposit is hereby
acknowledged:

Good Faith Deposit \$ _____

By: EG&G TECHNICAL SERVICES, INC.,
its authorized agent

By: _____

Printed: _____

Title: _____

BROKER PARTICIPATION

Buyer and Seller acknowledge the Broker or Agent listed below represents the Buyer in this transaction, Broker certifies that he/she is not acting as a principal and has met all requirements of the Terms of Sale. As such, Broker qualifies to be paid a commission of One percent (1%) of the full purchase price when the Buyer successfully pays for and closes on the property. Commission will be paid from the Seller's funds at closing.

Name of Brokerage Firm: _____

Broker/Agent License Number: _____

Mailing Address: _____

City, State, Zip Code: _____

Telephone No.: _____ Fax: _____

Commission Check Payable to: _____

Signature of Agent: _____

Signature of Buyer: _____

Signature of Seller: _____